





DADA Conference Call – Results 1H 2016

July 28th 2016



The gateway to your digital presence



Agenda

- 1H 2016 Business & Financials Highlights
 - Acquisition of Sfera
 - 1H 2016 Financials & KPIs
 - Strategic View & 2016 Guidelines
 - Q&A



DADA Key Assets

BUSINESS & METRICS



590 K CUSTOMERS



1.86 MLN DOMAINS



1.8 MLN EMAILS



650 K HOSTING

BRANDS & RANKING

#2 ITALY



register.it
etinet

#4 UK



names.co.uk
poundhost

#2 IRELAND



register365

#1 PORTUGAL TOP 5 FRANCE



amen.pt



amen.fr

TOP 9 SPAIN



nominalia

PLATFORM & SUPPORT

OUTSTANDING OWNED & LOCAL CUSTOMER CARE (120 EMPLOYEES)

PREMIER DATA DRIVEN PLATFORM & MNGT. SYSTEMS

DATACENTER (UK)
5.000 sq.m
99.9% UPTIME SLA

7 PETABYTES INFRASTRUCTURE DATA STORAGE

1H 2016 Highlights



BUSINESS METRICS

Continued Strong Growth yoy...

+49% New Customers
+40% New Domains reg.

Increased **Virtual & Private Servers** Clients

Improved **Market Share**



FINANCIALS

REVENUES increased yoy
+3%, +7% Like for Like

EBITDA €5.9 mln (€6.0 1H15)
Despite costs to manage the high growth in volumes

NFP € 25.8 mln **Improved**



BUSINESS INITIATIVES

Improved **Off Line Sales, Customer Support & Tailor Made Services**

Focus on Virtual, Private & Dedicated Servers Solutions

Continued **Initial Offering Promotions** to **Develop Customer Base**



M&A

Acquired 100% of **SFERA NETWORK** Srl (closing on July 14th)...

...specialized in **managed & customized IT services**

ETINET - acquired in 2H15 **fully integrated** and **performing well**



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Overview

SFERA

- **Italian** company- founded in 1997- specialized in **managed & customized IT Services**
- **2,000 customers**- mainly **SMBs** in **North Italy** and also **Multinationals & PA.**
- **Workforce: 15 employees** with **tech background**, located near BG (close DADA's offices)
- **Revenues** (FY2015) **€ 2,0 mln** - o/w **75% recurring**
- **EBITDA Adj** (FY2015) **€0,620 mln** (Ebitda Margin **31%**)
- **New Projects :**
 - Earchive** - cloud solutions for email Storage/ Back up
 - Surfree** - Statistical Analysis/Geomarketing



Strategic Fit

RATIONALE



Complete DADA's offering of managed & customized higher- end IT services



Acquire Highly qualified Human Capital;



Leverage on respective customer base



DO IT YOURSELF

Deal Structure

- ✓ **DADA**, through its subsidiary Register.it S.p.A, acquired 100% of Sfera Network Srl (closing date July 14th 2016)
- ✓ Consideration between **€ 3.3 - €3.7 mln**, subject to **results achieved by SFERA in next 3 years**
- ✓ **Financial Disbursement** spread in **3Y : € 2.3 mln** paid at **closing (14 July '16)**, the final tranche to be paid **in 36 months**
- ✓ **Funding** : medium-long term loan of **€2.5 million** by ICCREA Banca Impresa with a duration of 6 years and a 12- months grace period (Interest rate: 3-months Euribor rate + 210 bps).

A black and white photograph of a business meeting in a modern office. In the foreground, a laptop is open on a desk, with a pen resting on a document that features a bar chart. In the background, three people are standing and talking near a large window. A semi-transparent red rectangle is overlaid on the right side of the image, containing the agenda text.

Agenda

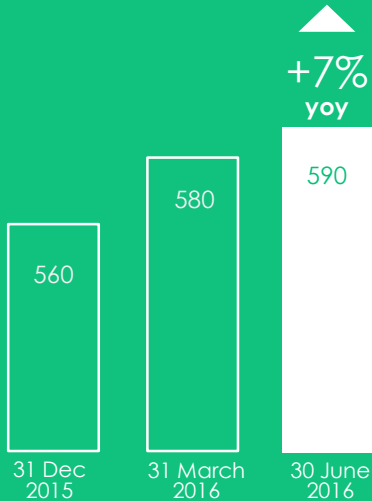
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1H '16 Customer Base Growth – Investing in the future

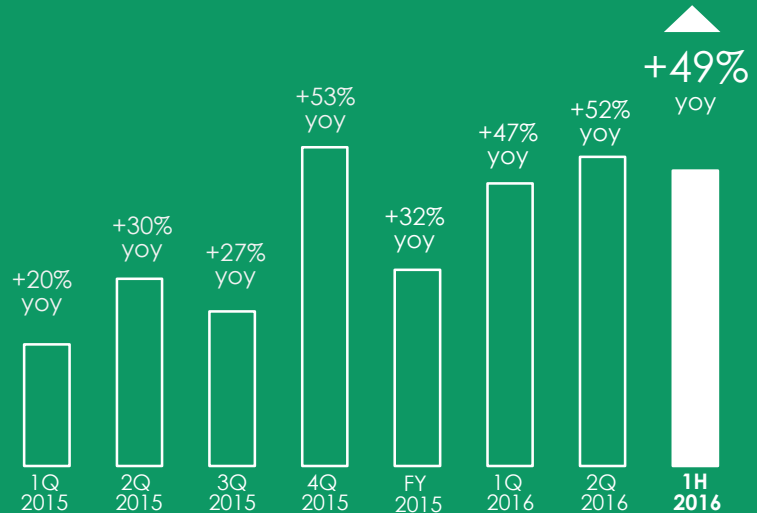
Monthly Churn <1.2%

Strong New Customers increase: Marketing expenses in 1H2016 quite flat vs 1H '15, while COA decreased

CUSTOMERS – STOCK
(000s)

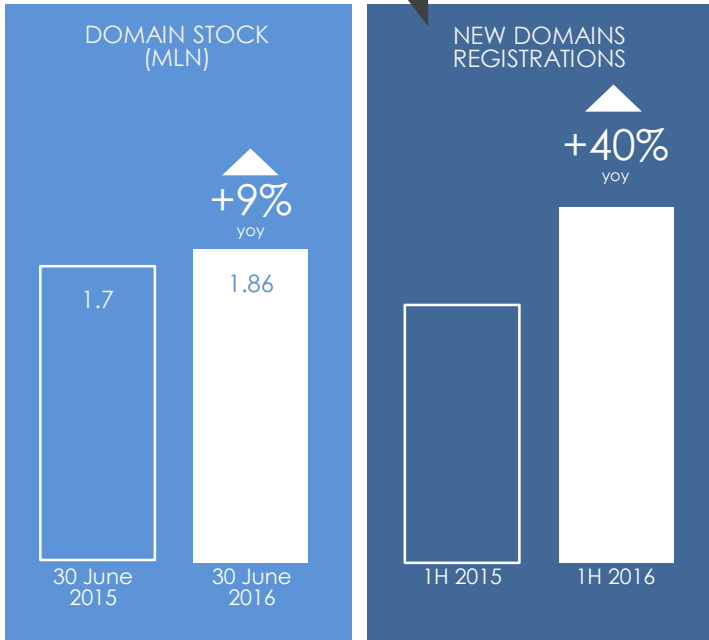


NEW CUSTOMERS ACQUIRED
YOY GROWTH



1H '16 Business Metrics - Growing Faster than the Market

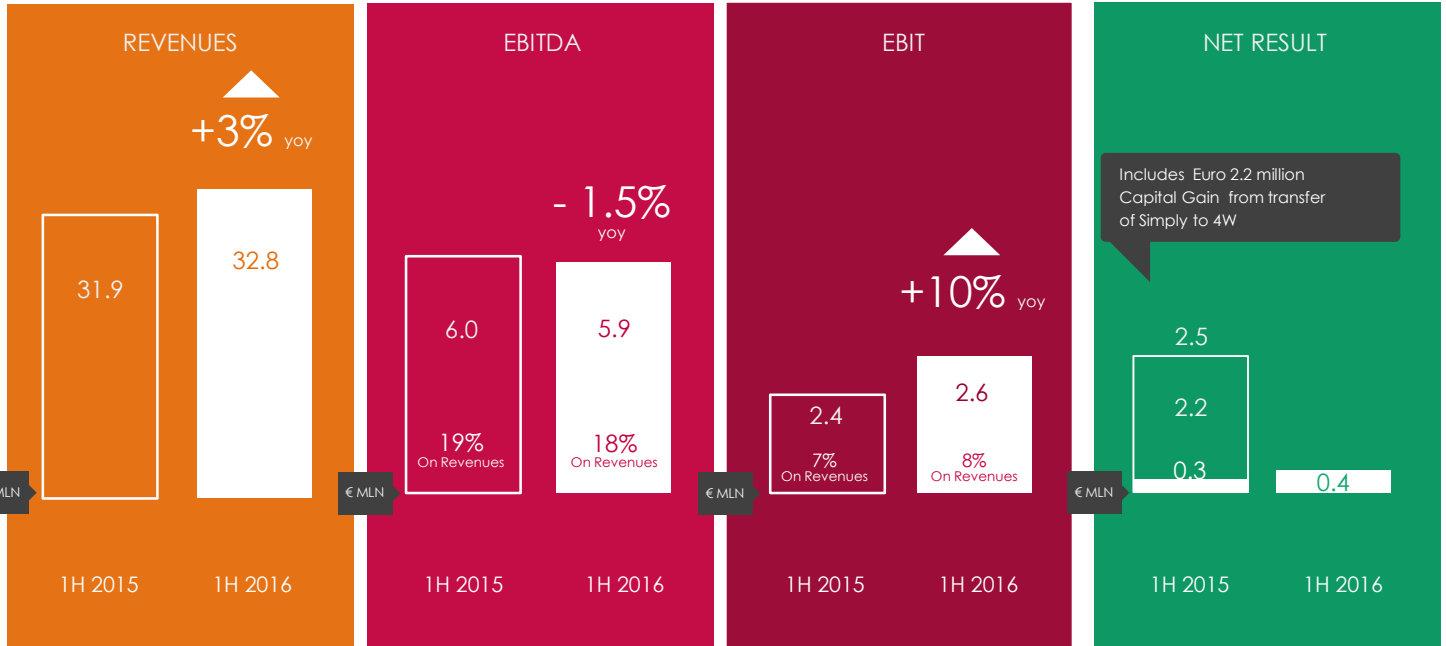
DADA continues to grow faster than the Mkt, **grabbing Mkt Share** from competitors



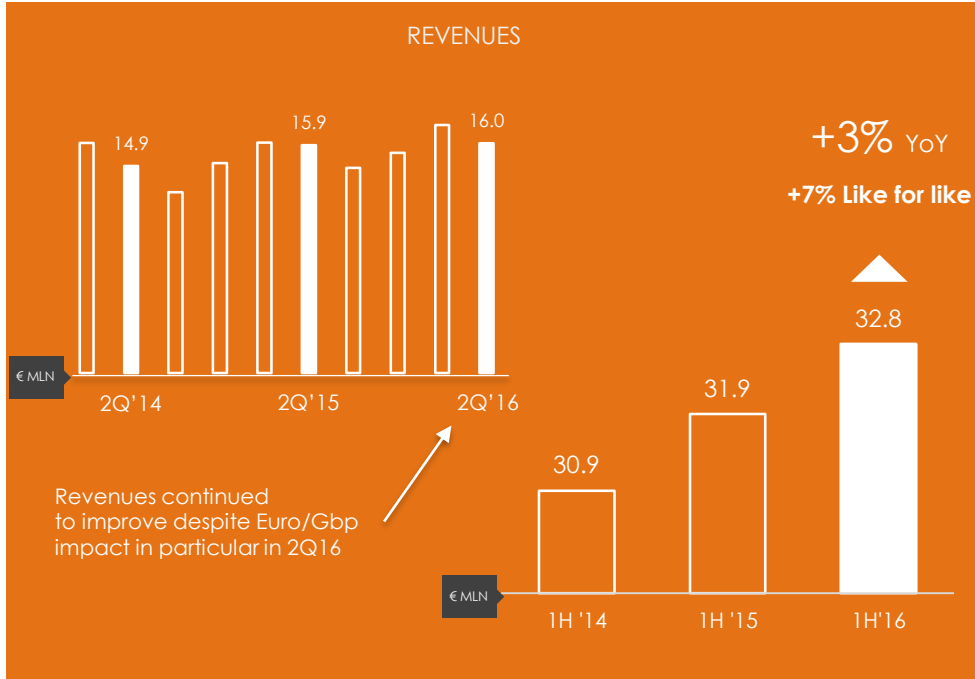
- Domain registrations is the first step for the SMBs “go digital” and is a **key driver to acquire new customers**.
- Continued strong **New registrations growth** in 1H2016, **DADA grew faster** than the **market**
- Market penetration increased thanks to **effective sales policies, marketing investments** and continuous **products improvement**
- In **Italy (.it – ccTLD) market penetration*** exceeded **20%**
- Strong **market share** in main new gTLDs: **.wine 8% worldwide** (60% In Italy) **.bio 18% worldwide**

*Calculated on new registrations

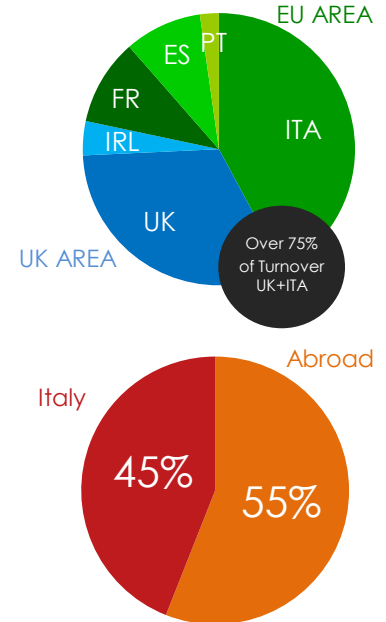
1H '16 Key Financial Results



Revenues Trend : +7% like for like

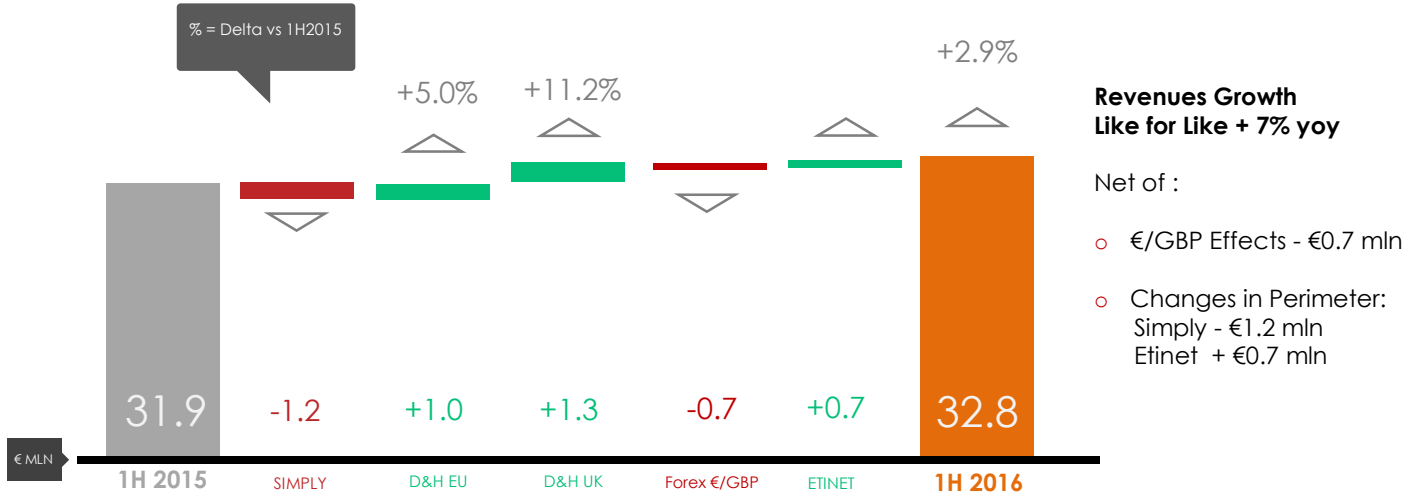


1H '16 Revenues Breakdown

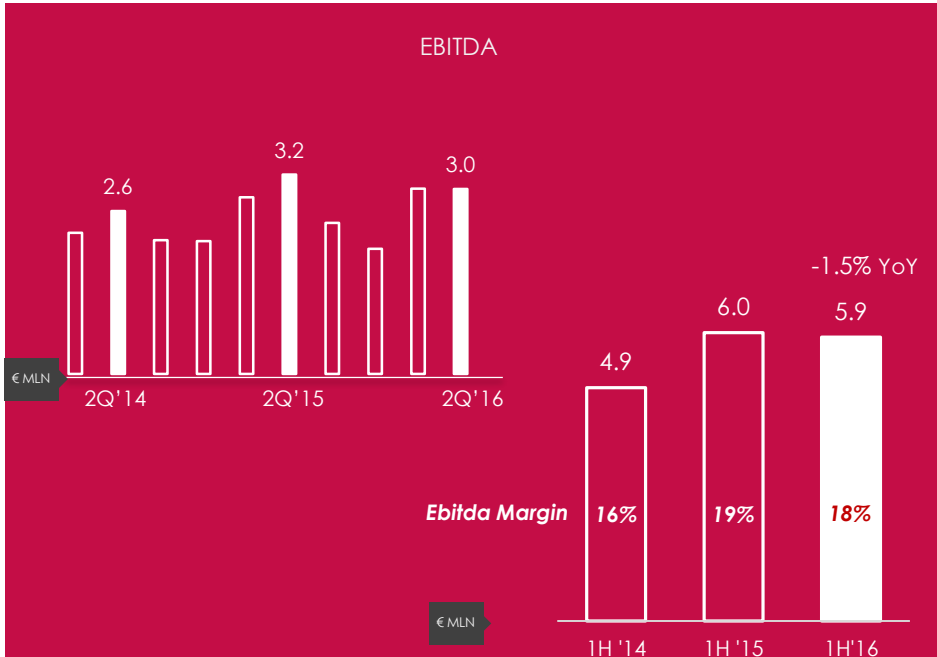


*Considering before 2015 only D&H BU

1H '16 Revenues Bridge vs 1H '15



EBITDA Trend: Ebitda margin still good at 18%



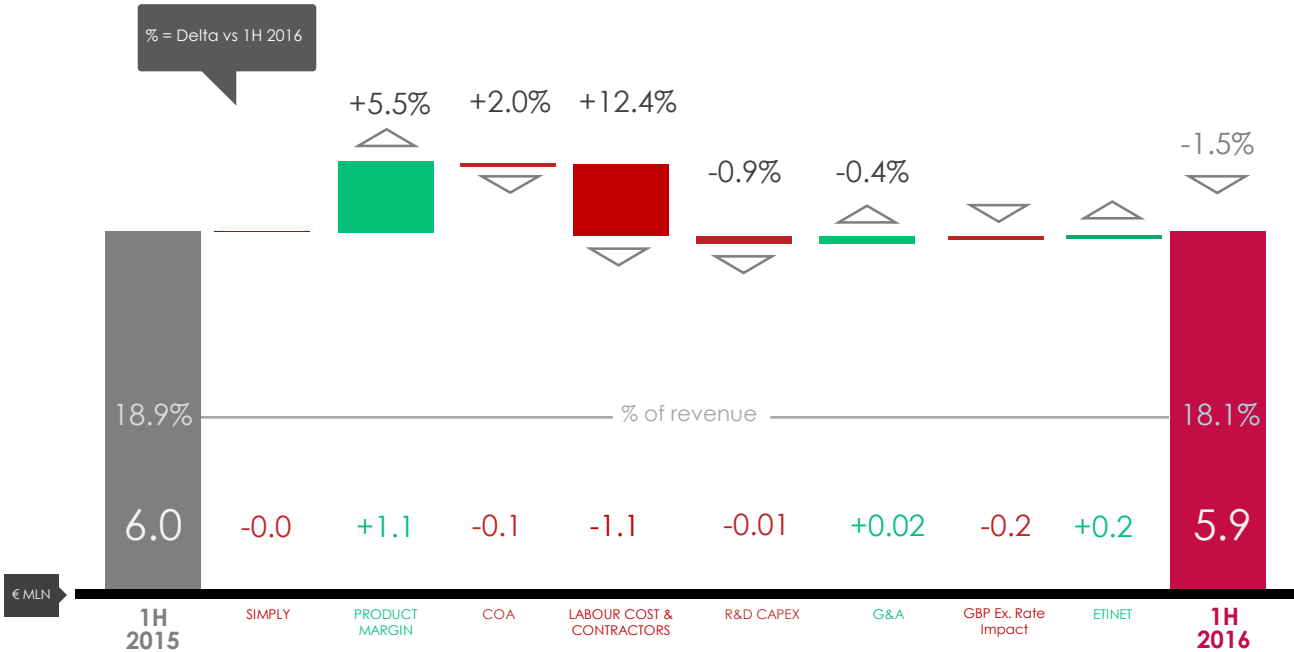
*Considering before 2015 only D&H BU

1H '16 Ebitda flat vs 1H '15, with a **good Ebitda margin of 18%**, despite:

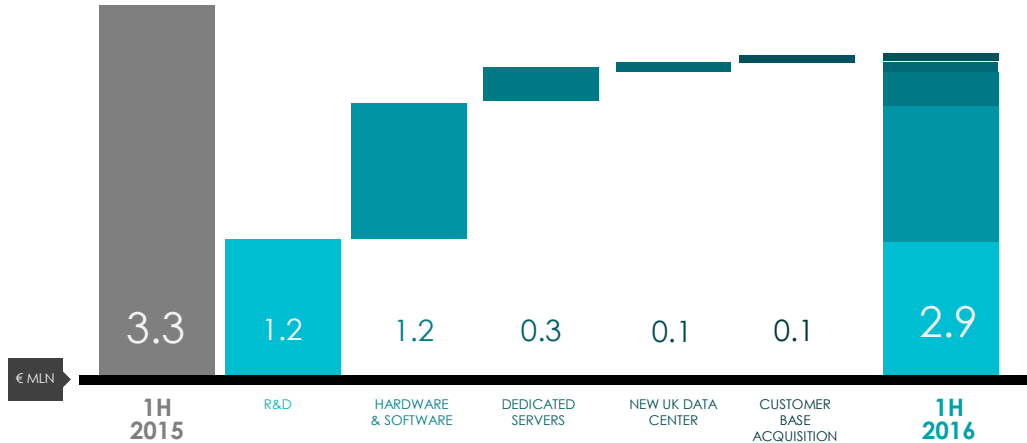
costs to manage the **growth in volumes** aimed to **improve future profitability** and **scalability**, including

- **Initial Promotion Strategies** affecting new customer Arpu and Direct Margins (started in 2H 2015)
- **Cost of personnel** increase to face higher volumes, maintain quality of services & provide new tailor made solutions and reflects:
 - Consolidation of Etinet
 - Insourcing of Customer Care in 2015
 - Improving off line channels.

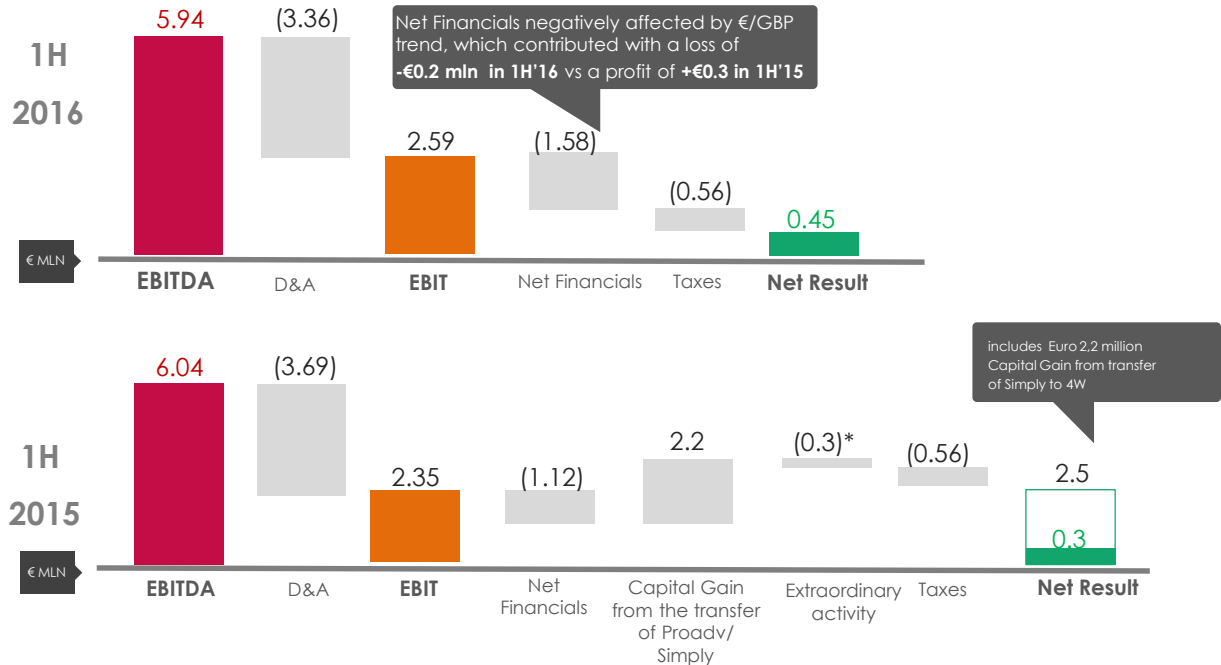
1H '16 EBITDA Bridge vs 1H '15



1H '16 Capex Composition

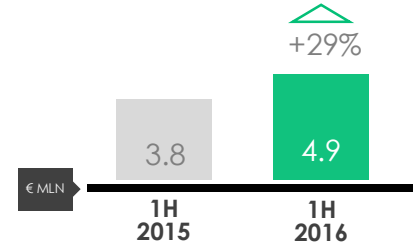
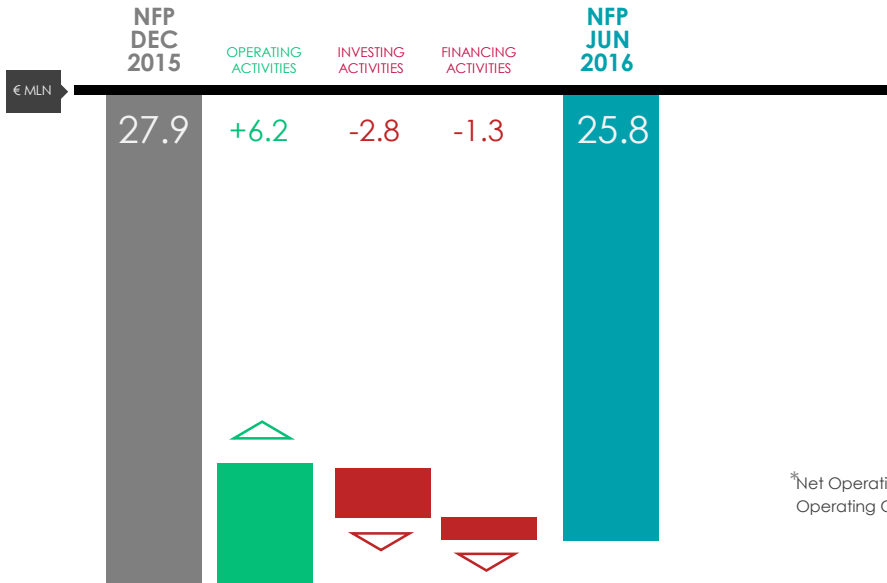


1H '16 From EBITDA to Net Result



* Performance Advertising Division Sold in March 2015

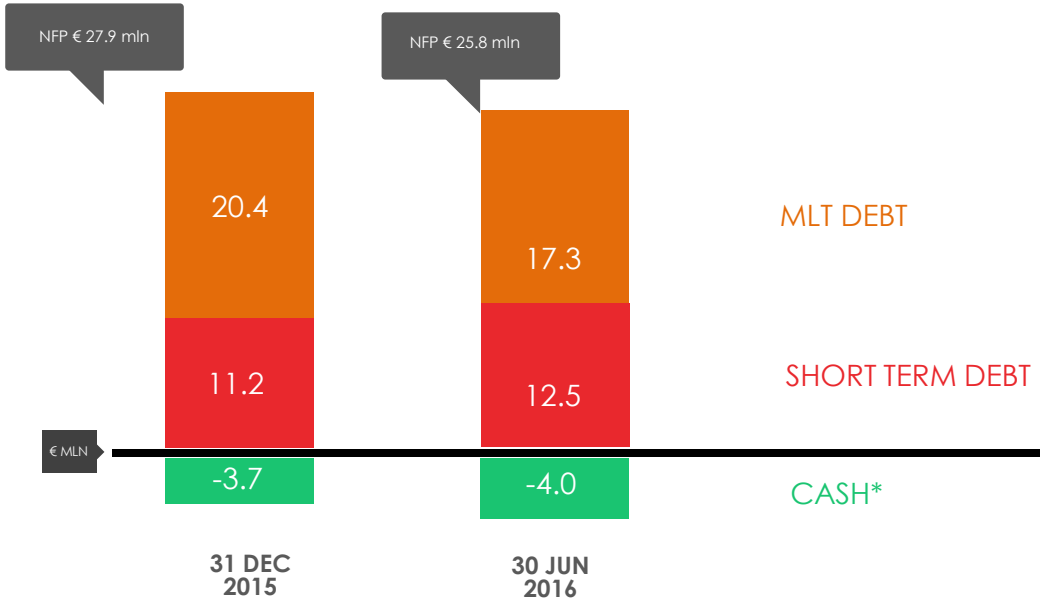
1H '16 Cash Flow



NET OPERATING CASH FLOW* IMPROVED

*Net Operating Cash Flow :
Operating Cash Flow + NWC Chg + Income Taxes + Interests Paid

1H '16 Net Financial Position



* Cash = Cash, bank and post office deposits

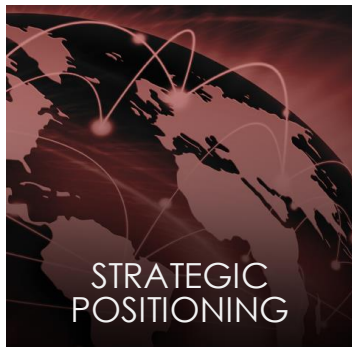


Agenda

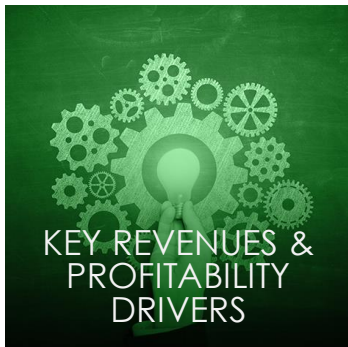
- 1Q 2016 Key Achievements
- Corporate Overview
- 1Q 2016 Financials & KPIs
- Strategic View & 2016 Guidelines
- Q&A

Key Pillars of Future Strategy & 2016 Guidelines

STRENGTHEN EUROPEAN LEADING POSITION & FURTHER IMPROVE FINANCIALS



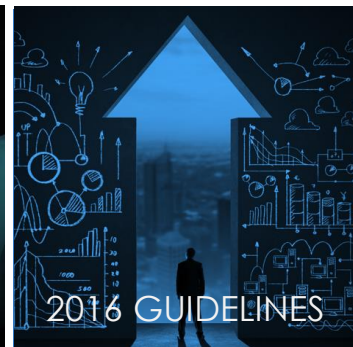
- Increase **Mkt Share** in core geographies
- Broaden range of services in "We do it for you" mode
- Strengthen positioning in **Cloud Hosting, Virtual Dedicated & Private Servers**



- Build **Volumes** – New Clients
- Enhance **Retention Rate** and **Upselling Activities** – increase ARPU
- Finalize **Platforms Integration**
- Increase **COA** efficiency



- Major offline/ online push – **Organic Growth**
- **Small Portfolio** acquisition to increase mkt share / add new services



- **Mid-single digit Revenues increase** - on a like for like basis
- **Benefits** from 2H15 Investments expected **from 2H'16** with **Ebitda improving more than Revenues** from **4Q**

1

Large and Underserved Addressable Market

2

Leading Position in European Core Geographies

3

Successful Business Model: Broad and High Value Suite of Products, Powerful & Proprietary Infrastructure, Owned & Local Outstanding Customer Care

4

Good Revenues Visibility & Predictability

5

Significant Economies of Scale with Volumes Growth

6

Data-Driven Understanding & Managing of Customer Base & Customer Acquisition

7

Successful Track Record in Revenue Consolidation, Cost Optimization & M&A



DADA

Q&A

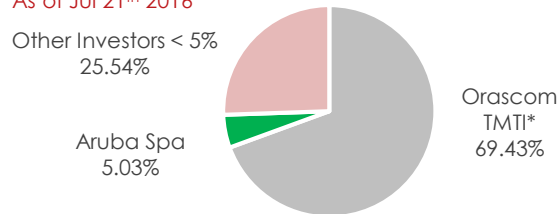
Overview

DADA AS OF JUL 21th 2016

MARKET	STAR SEGMENT – MTA
PRICE	€ 2.31
NOSH	€ 16.7 MLN
MKT CAP	€ 38.54 MLN
PERFORMANCE YTD (Jan – Jul)	+10.2%
RELATIVE PERF vs STAR INDEX YTD	+15.6%
AVERAGE DAILY VOLUMES YTD	19,431

SHAREHOLDING STRUCTURE

As of Jul 21th 2016



*Through its wholly-owned subs. Libero Acquisition S.à.r.l.





DADA

APPENDIX

1H '16 – Dada Group Consolidated P&L

€/mln	1H 2016	1H 2015	Delta vs 2015	
Revenue	32.8	31.9	0.9	2.9%
COGS	-11.5	-11.3	-0.1	1.0%
Product Margin	21.3	20.5	0.8	3.9%
COA	-3.1	-3.2	0.0	-0.9%
Gross Margin	18.2	17.4	0.8	4.8%
Labour Cost & Contractors	-10.0	-9.0	-1.0	10.6%
R&D CAPEX & WIP	1.2	1.2	-0.0	-1.5%
G&A	-3.5	-3.5	0.0	-1.3%
EBITDA	5.9	6.0	-0.1	-1.5%
Non recurring charges/Write-downs	-0.2	-0.3	0.1	-43.5%
D&A	-3.2	-3.4	0.2	-5.8%
EBIT	2.6	2.4	0.2	10.1%
Net Financials	-1.6	-1.1	-0.4	38.7%
Taxes	-0.6	-0.6	0.0	-0.3%
Profit (Loss) from Discontinued Operations		-0.3	0.3	n.m.
Net Result before Capital Gain	0.4	0.3	0.1	47.1%
Capital Gain*		2.2	-2.2	n.m.
Net Result	0.4	2.5	-2.1	-82.1%

* income €2.2 mln from the transfer of ProAdv/ Simply Bu to 4W Marketplace

1H '16 – Balance Sheet

€ mln	30.06.2016	31.12.2015
Net Working Capital	(12.1)*	(11.5)
Fixed Assets	93.4	99.7
Severance and Other Funds	(0.9)	(1.1)
Net Capital Employed	80.4	87.2
Net Financial Position	(25.8)	(27.9)
Total Shareholders' Equity	(54.6)	(59.3)

Differences between NCE and the sum of NFP and Net Equity area due to rounding

** Of which 13.7 mln deferred revenues included*

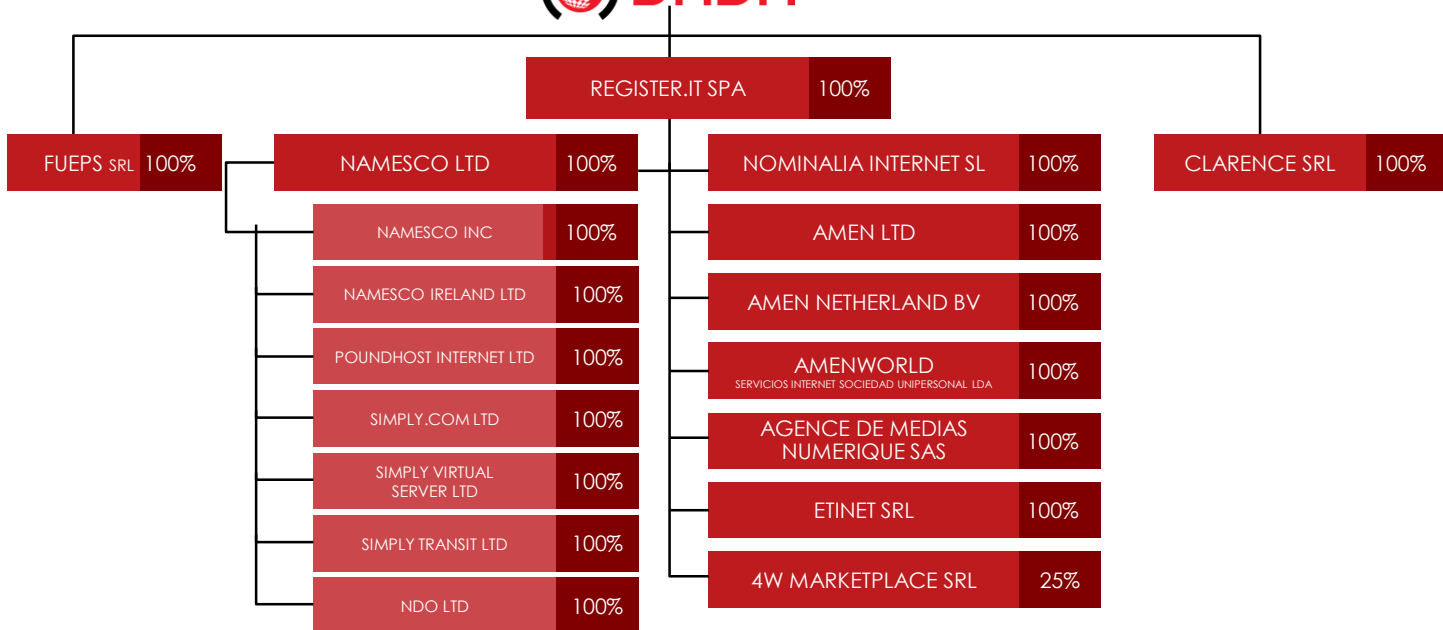
1H '16 – NPF Breakdown

€ mln	30.06.2016	31.12.2015
Cash, bank and post office deposits	4.0	3.7
Credit lines, account overdrafts and current bank borrowings	(12.4)	(11.1)
Non-current bank borrowings (M/L T)	(17.2)	(20.3)
Derivatives	(0.2)	(0.1)
NPF	(25.8)	(27.9)

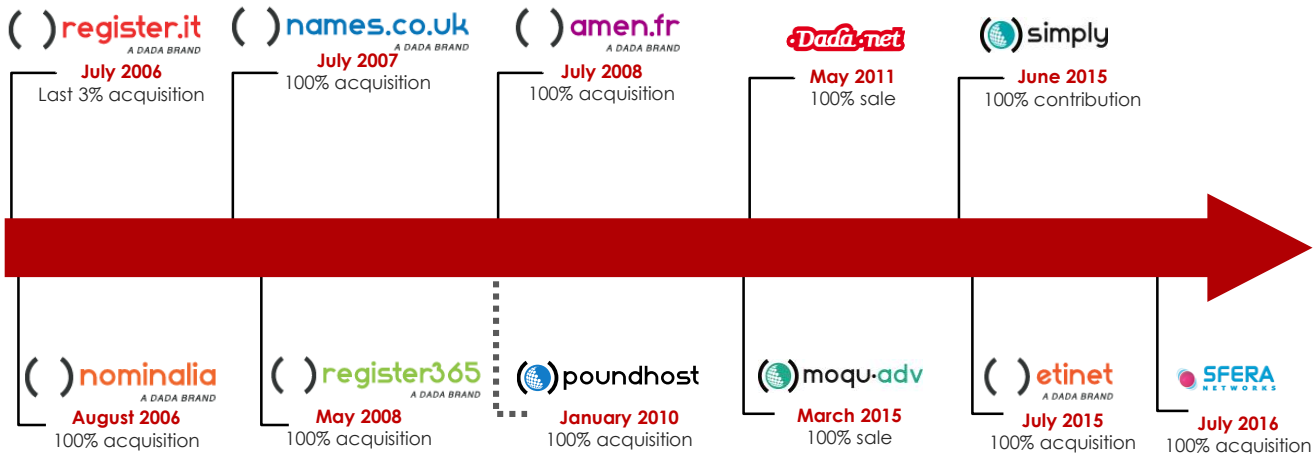
1H '16– Cash Flow Statement

€ mln	1H 2016	1H 2015
Cash and Cash Equivalents at the Beginning of Period	(8.8)	(16.8)
Group Net Profit (Loss)	0.45	2.50
Gross Operating Cash Flow	5.9	5.9
Working capital, Income taxes and Interest paid	(1.0)	(2.1)
Net Operating Cash Flow	4.9	3.8
Capex & Investing Activities	(1.9)	1.8
Financing Activities	(3.1)	2.6
Free Cash Flow	(0.1)	8.3
Cash and Cash Equivalents at the End of Period	(9.0)	(8.5)
















Structure as of June 2016



M&A Activity



M&A Multiples

Country	Brand	Year	EV/Ebitda Acqu. Multiple	DADA Trading Multiple
 Spain	 nominalia	2006	2.7x	12.8x
 UK	 names.co.uk	2007	8.6x	15.1x
 Ireland	 register365	2008	4.9x	6.7x
 France	 amen	2008	6.8x	5.6x
 Portugal				
 UK	 poundhost	2010	2.7x	4.5x
 Italy	 etinet <small>A DADA BRAND</small>	2015	2.6x	6.6x
 Italy	 SFERA NETWORKS	2016	4.8x / 5.5x	6.4x



Contacts

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Many thanks!

All forecasts included in this document are subject to risks and uncertainties of DADA itself and of Internet, media and Telco markets.

All forecasts are based on currently available information and reflect DADA Group management expectations.

All forecasts reflect market parameters, assumptions and other fundamentals which could change and therefore influence the future results.

All the forecasts are based on an hypothesis of organic growth and commercial and regulatory stability, particularly in the mobile market.

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